

A MEMORIAL

REQUESTING CONGRESS AND THE PRESIDENT TO DIRECT THE FOREIGN EXCHANGE POLICY OF THE UNITED STATES TO BE NEUTRAL AND WITHOUT FAVORITISM TOWARD ANY PARTICULAR ECONOMIC SECTOR AND WITHOUT GEOGRAPHIC OR BUSINESS SECTOR FAVORITISM OF ANY TYPE.

WHEREAS, an artificially strong dollar benefited parts of the financial services industry that had significant international lending exposure, but caused United States agricultural producers to be uncompetitive in domestic markets and foreign trade for a prolonged period from 1995 through 2002; and

WHEREAS, foreign producers of agricultural products competing with United States producers received extensive United States taxpayer-paid or -guaranteed subsidies during that period and many of those subsidies continue today; and

WHEREAS, a principal vehicle for the transfer of the subsidies from United States taxpayers to foreign recipients was loans to foreign governments made by the international bank for reconstruction and development commonly known as the "world bank", which, in turn, underwrote foreign agricultural production initiatives that were in direct competition with United States producers; and

WHEREAS, agricultural producers in New Mexico have suffered direct and continuing damage from world bank

subsidized programs of the types described, including shipment to the United States, to New Mexico and to third countries of agricultural products easily produced in New Mexico, such as chile peppers, pecans and other nuts, beef, chicken and other poultry, pork, lamb and other meats, cut roses, fruits, vegetables, wool, cotton, corn, soybeans and wheat; and

WHEREAS, foreign agricultural producers have been positioning themselves throughout the strong dollar period to obtain, maintain and use their unfair trade advantage gained because their countries' currencies are pegged to the dollar, thus preserving or increasing the unfair trade advantage that they obtained through world bank and other subsidies during the strong dollar period and through currency manipulation in the subsequent period; and

WHEREAS, congress has acquiesced in the exercise of its constitutional powers over the currency and foreign trade to the executive branch and has neglected its constitutional duty to require the president to execute the laws of the United States faithfully regarding powers delegated to the executive branch regarding the regulation of trade and currencies;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that congress and the president of the United States be requested to direct the foreign exchange policy of the United States to be neutral and, thus, without favoritism to any particular economic

sector or geographic or business sector; and

BE IT FURTHER RESOLVED that congress and the president of the United States take into account the need to redress the unintended harm and damage inflicted on particular regions, states and business sectors since 1995 by the combined effects of the strong dollar policy, world bank-funded subsidies of foreign agricultural producers and, since the end of the strong dollar period in 2002, the pegging to the dollar of currency values by countries attempting to gain or preserve trade advantages over United States producers; and

BE IT FURTHER RESOLVED that corrective policies include nonintervention in currency markets to prop up the value of the United States dollar, elimination of any world bank-funded program of direct or indirect agricultural subsidies and the implementation of retaliatory tariffs against agricultural imports from countries refusing to allow their currencies to float freely against the United States dollar without currency market intervention or domestic interest rate manipulation; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the president of the United States and to the New Mexico congressional delegation.